

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE PAYMENT OF) CAUSE NO. 1
PROCEEDS FROM THE PRODUCTION OF OIL)
AND GAS AS ESTABLISHED BY SECTION 34-60-) DOCKET NO. 180700618
118.5, C.R.S., WATTENBERG FIELD, NIOBRARA)
AND CODELL FORMATIONS, WELD COUNTY,) TYPE: GENERAL
COLORADO) ADMINISTRATIVE

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

WELLS

Liberty 2A 21H(C)	(API No. 05-123-34695)
Liberty 2B-21H (N)	(API No. 05-123-36206)
Liberty 2C-21H(C)	(API No. 05-123-36208)
Liberty 2D-21H (N)	(API No. 05-123-36204)
Liberty 2E-21H (C)	(API No. 05-123-36202)
Liberty 2F-21H(N)	(API No. 05-123-36210)
State 3G-16H(C)	(API No. 05-123-37509)
State 3H-16H (N)	(API No. 05-123-37515)

APPLICATION

On May 22, 2018, Connie S. Williamson, General Partner of Liberty Properties, LLLP ("Liberty Properties" or "Payee"), by its attorneys, filed a Payment of Proceeds Hearing Request (Form 38) pursuant to Rule 503.b.(10) and §34-60-118.5, C.R.S., for an order to:

1) Require Crestone Peak Resources (Operator No. 10633) ("Crestone") to refund Applicant \$27,021.62 or to provide proof of additional payments to Weld County Treasurer to support the Ad Valorem Adjustment for the abovementioned Wells in the Niobrara and Codell Formations under the supervision of the Commission; and

2) Require EnCana Oil & Gas (USA) Inc. (Operator No.100185) ("EnCana"), predecessor in interest to Crestone, to refund Applicant \$27,021.62 or to provide proof of additional payments to Weld County Treasurer to support the Ad Valorem Adjustment for the abovementioned Wells in the Niobrara and Codell Formations under the supervision of the Commission; and

3) Declare Crestone and EnCana liable to Applicant for all undocumented and proven deductions on the Wells for 2015 Ad Valorem taxes; and

4) Require Crestone to do tax adjustments every year and not to do anymore deductions for the Ad Valorem taxes until this Ad Valorem Adjustment is proven; and

5) Require Crestone and/or EnCana to pay Applicant the amounts due revealed by proof of by accounting, together with interest due and to award relief for all associated penalties and attorney's fees due to Applicant from Crestone and/or EnCana.

APPLICABLE STATUTE

- On July 1, 1990, §34-60-118.5, C.R.S., provided the Colorado Oil and Gas Conservation Commission with exclusive jurisdiction concerning the payment of proceeds derived from the sale of oil, gas or associated products from a well in Colorado including the following:
 - (a) The date on which payment of proceeds is due a payee under section (2) of the section;
 - (b) The existence or nonexistence of an occurrence pursuant to subsection (3) of this section which would justifiably cause a delay in payment; and
 - (c) The amount of the proceeds plus interest, if any due a payee or payer.

- Section 34-60-118.5(2) (a), C.R.S., provides that payment of proceeds derived from the sale of oil, gas, or associated products shall be paid by a payer to the payee commencing not later than six months after the end of the month in which production is first sold, and, thereafter, on a monthly basis not later than sixty days for oil and ninety days for gas and associated products following the end of the calendar month in which subsequent production is sold.

- Section 34-60-118.5(2.5) C.R.S. provides in pertinent part, that upon written request by payee, submitted to payer by certified mail, the payer shall provide to the payee a written explanation of those deductions over which the payer has control and for which the payer has information, whether or not identified with the payment.

NOTICE IS HEREBY GIVEN, pursuant to §§ 34-60-101 to 130, C.R.S., and the Commission's Rules of Practice and Procedure, 2 CCR 404-1, that the Commission has scheduled this matter for hearing on:

Date: September 17-18, 2018

Time: 9:00 a.m.

Place: Garfield County Sheriff's Annex - Rifle
106 County Road 333-A
Rifle, Colorado 81650

Additional information about the hearing on this Application will be in the Commission's Agenda, which is posted on the Commission website approximately 3 days before the hearing.

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

At hearing, the Commission will consider the Application and enter an order pursuant to its authority under the statute. **Any interested party desiring to protest or intervene should file with the Commission a written protest or intervention in accordance with Rule 509., no later than August 31, 2018.** Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. One electronic (cogcc.hearings_unit@state.co.us), one original and two copies shall be filed with the Commission. **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of September 3, 2018, if a prehearing conference**

is requested by the Applicant, or any person who has filed a protest or intervention. Pursuant to Rule 511., if the matter is uncontested, it may be approved without a hearing.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____


Julie Spence Prine, Secretary

Dated: August 13, 2018

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